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National Union Fire Insurance Company,  
Defendant.

Generally, the public has a right to inspect and copy judicial records. *Kamakana v. City & Cnty. of Honolulu*, 447 F.3d 1172, 1178 (9th Cir. 2006). Such records are presumptively publicly accessible. *Id.* Consequently, a party seeking to seal a judicial record bears the burden of overcoming this strong presumption. *Id.* In the case of dispositive motions, the party seeking to seal the record must articulate compelling reasons supported by specific factual findings that outweigh the general history of access and the public policies favoring disclosure, such as the public interest in understanding the judicial process. *Id.* at 1178-79 (alteration and internal quotation marks and citations omitted). The Ninth Circuit has further held that the full presumption of public access applies to technically nondispositive motions and attached documents as well if the motion is “more than tangentially related to the merits of the case.” *Ctr.*

1 *for Auto Safety v. Chrysler Grp., LLC*, 809 F.3d 1092, 1101 (9th Cir. 2016).

2 Among the compelling reasons which may justify sealing a record are when such court  
 3 files might have become a vehicle for improper purposes, such as the use of records to gratify  
 4 private spite, promote public scandal, circulate libelous statements, or release trade secrets.  
 5 *Kamakana*, 447 F.3d at 1179 (quotation omitted). However, avoiding a litigant’s embarrassment,  
 6 incrimination, or exposure to further litigation will not, without more, compel the court to seal its  
 7 records. *Id.*

8 “[A] different standard applies to ‘private materials unearthed during discovery,’ as such  
 9 documents are not part of the judicial record.” *Pintos*, 605 F.3d at 678 (citing *Kamakana*, 447  
 10 F.3d at 1180). Under Rule 26(c), a court may enter a protective order “to protect a party or  
 11 person from annoyance, embarrassment, oppression, or undue burden or expense.” “The relevant  
 12 standard for purposes of Rule 26(c) is whether good cause exists to protect the information from  
 13 being disclosed to the public by balancing the needs for discovery against the need for  
 14 confidentiality.” *Pintos*, 605 F.3d at 678 (quotation omitted). Given the “weaker public interest  
 15 in nondispositive materials,” the court applies the good cause standard in evaluating whether to  
 16 seal documents attached to a nondispositive motion. *Id.* “Nondispositive motions ‘are often  
 17 unrelated, or only tangentially related, to the underlying cause of action,’ and, as a result, the  
 18 public’s interest in accessing dispositive materials does ‘not apply with equal force’ to non-  
 19 dispositive materials.” *Id.* (citing *Kamakana*, 447 F.3d at 1179). It is within the court’s discretion  
 20 whether to seal documents. *Id.* at 679.

21 **A. There are compelling reasons to seal the exhibits referenced in Defendants’**  
 22 **motion at ECF No. 91**

23 Defendants seek to seal several exhibits attached to the Declaration of Michael J. Hartley  
 24 as these exhibits contain claims handling guidelines considered to be trade secrets.

25 Because these documents are attached to a dispositive matter, the Court applies the  
 26 compelling reason standard. *Ctr. for Auto Safety*, 809 F.3d at 1099.

1 “Courts have routinely held that insurer’s claims-handling guidelines are trade secrets.”  
 2 *Chavez v. Standard Ins. Co.*, No. 3:18-CV-2013, 2020 WL 6382611, at \*2 (N.D. Tex. Oct. 30,  
 3 2020) (collecting cases). Here, the Court finds Defendants have demonstrated compelling  
 4 reasons to seal the documents in question.

5 As a result, Defendants’ motion at ECF No. 91 will be granted.

6 **B. There are compelling reasons to seal only Exhibits 12, and 26-28 referenced**  
 7 **in Plaintiffs’ motion at ECF No. 93**

8 Plaintiffs seek to seal several exhibits filed in support of their Motion for Summary  
 9 Judgment. ECF No. 93.

10 Because these documents are attached to a dispositive matter, the Court applies the  
 11 compelling reason standard. *Ctr. for Auto Safety*, 809 F.3d at 1099.

12 Exhibit 12 contains a confidential settlement release and agreement between Plaintiffs  
 13 and Defendants in the *Suen* Action, which is highly confidential and contains sensitive and  
 14 confidential financial and business information between the parties to that settlement. This Court  
 15 finds compelling reasons exist to seal Exhibit 12. *Nixon v. Warner Commc’ns Inc.*, 435 U.S. 589,  
 16 598 (1978) (“business information that might harm a litigant’s competitive standing” is a  
 17 compelling reason to seal); *Ctr. For Auto Safety v. Chrysler Group, LLC*, 809 F.3d 1092, 1097  
 18 (9th Cir. 2016) (harm to party’s competitive standing is a “compelling reason” sufficient to seal  
 19 business information).

20 Exhibits 26-28 are legal invoices from counsel defending the *Suen* Action that contain  
 21 sensitive and confidential financial and business information regarding the attorneys’ privileged  
 22 work product and Plaintiffs’ legal costs incurred for defending the *Suen* Action. This Court finds  
 23 compelling reasons exist to seal Exhibits 26-28. *See TriQuint Semiconductor, Inc. v. Avago*  
 24 *Technologies Ltd.*, No. CV 09-1531-PHX-JAT, 2011 WL 6182346, at \*5 (D. Arizona Dec. 13,  
 25 2011) (“The Court agrees that such information [containing attorney-client privileged  
 26 information] is properly redacted,” and “finds that TriQuint has shown compelling reasons to  
 27 seal ... information that is attorney-client privileged.”).

Exhibits 18 and 19 are documents that National Union produced and marked as Confidential. Stipulated protective orders alone do not justify sealing court records. See, e.g., *Foltz v. State Farm Mut. Auto. Ins. Co.*, 331 F.3d 1122, 1133 (9th Cir. 2003) (noting that reliance on a blanket protective order, without more, will not make a showing of good cause); *Beckman Indus., Inc. v. Int’l Ins. Co.*, 966 F.2d 470, 475–76 (9th Cir. 1992) (explaining that blanket stipulated protective orders are over inclusive by nature and do not include a finding of “good cause”). Blanket protective orders are designed to facilitate discovery exchanges; they do not provide a finding that any specific documents are secret or confidential to overcome the presumption of public access. *Kamakana*, 447 F.3d at 1183 (addressing the “the hazard of stipulated protective orders,” and noting they often “purport to put the entire litigation under lock and key without regard to the actual requirements of Rule 26(c)”). As a result, no compelling reasons exist to seal these exhibits.

Here, the Court finds Plaintiffs have demonstrated compelling reasons to seal Exhibits 12, and 26-28. However, no compelling reasons have been provided to seal Exhibits 18 and 19.

As a result, Plaintiffs’ motion at ECF No. 93 will be granted in part and denied in part.

## **II. CONCLUSION**

**IT IS THEREFORE ORDERED** that Defendants’ Motion to Seal at ECF No. 91 is GRANTED. The Clerk of Court is directed to maintain under seal the exhibits at ECF No. 92.

**IT IS FURTHER ORDERED** that Plaintiffs’ Motion to Seal at ECF No. 93 is GRANTED in part and DENIED in part. The Clerk of Court is directed to maintain under seal the exhibits at ECF Nos. 108, 109, and 110.

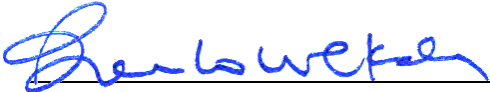
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1           **IT IS FURTHER ORDERED** that Plaintiffs shall a renewed motion to seal Exhibits 18  
2   and 19 that explains what compelling reasons exist for their sealing. The motion is due by  
3   November 20, 2023. Failure to file this motion will result in an order unsealing Exhibits 18 and  
4   19.

5           DATED this 19th day of October 2023.

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7             
8           BREND A WEKSLER  
9           UNITED STATES MAGISTRATE JUDGE  
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